

**BIG RIVERS ELECTRIC CORPORATION
OPEN ACCESS
TRANSMISSION TARIFF**

Issued by: Mark A. Bailey, President and CEO, 201 Third Street, Henderson, KY 42420
Issued on: October 9, 2009
Effective Date: July 17, 2009, by Order Dated March 6, 2009, in Case No. 2007-00455

Mark A. Bailey

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 7/17/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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I. COMMON SERVICE PROVISIONS

1 Definitions

1.1 Affiliate:

With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

1.2 Ancillary Services:

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of Big Rivers' Transmission System in accordance with Good Utility Practice.

1.3 Annual Transmission Costs:

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by Big Rivers.

1.4 Application:

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

1.5 Completed Application:

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An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

1.6 Control Area:

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

1. match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
2. maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
3. maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
4. provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.7 Curtailment:

A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.

1.8 Delivering Party:

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The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.9 Designated Agent:

Any entity that performs actions or functions on behalf of Big Rivers, an Eligible Customer, or the Transmission Customer required under the Tariff.

1.10 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by Big Rivers for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to regulatory approval where applicable.

1.11 Eligible Customer:

- i. Any electric utility (including Big Rivers and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Federal Energy Regulatory Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that Big Rivers enter into the unbundled

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transmission service, or pursuant to a voluntary offer of such service by Big Rivers.

- ii. Any retail customer taking unbundled transmission service pursuant to a state requirement that Big Rivers offer the transmission service, or pursuant to a voluntary offer of such service by Big Rivers, is an Eligible Customer under the Tariff.

1.12 Facilities Study:

An engineering study conducted by Big Rivers to determine the required modifications to Big Rivers' Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

1.13 Firm Point-To-Point Transmission Service:

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

1.14 Good Utility Practice:

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the

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desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

1.15 Interruption:

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

1.16 Load Ratio Share:

Ratio of a Transmission Customer's Network Load to Big Rivers' total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve month basis.

1.17 Load Shedding:

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

1.18 Long-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff as a term of

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one year or more.

1.19 Native Load Customers:

The wholesale power customers of Big Rivers on whose behalf Big Rivers, by contract, has undertaken an obligation to construct and operate its system to meet the reliable electric needs of such customers. Big Rivers' native load customers specifically include its three member distribution cooperatives and their successors: Kenergy Corp; Jackson Purchase Energy Corporation; and Meade County Rural Electric Cooperative Corporation.

1.20 Network Customer:

An entity receiving transmission service pursuant to the terms of Big Rivers' Network Integration Transmission Service under Part III of the Tariff.

1.21 Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.22 Network Load:

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate ~~Kentucky~~ its total

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load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.

1.23 Network Operating Agreement:

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

1.24 Network Operating Committee:

A group made up of representatives from the Network Customer(s) and Big Rivers established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

1.25 Network Resource:

Any designated generating resource owned, purchased or leased by a Network

Customer under the Network Integration Transmission Service Tariff. Network

Resources do not include any resource, or any portion thereof, that is recorded for

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sale to third parties or otherwise cannot be called upon to meet the Network

Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

1.26 Network Upgrades:

Modifications or additions to transmission-related facilities that are integrated with and support Big Rivers' overall Transmission System for the general benefit of all users of such Transmission System.

1.27 Non-Firm Point-To-Point Transmission Service:

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 13.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on an hourly basis as Hourly Non-Firm Transmission Service or on a daily, weekly or monthly basis for renewable terms as Short-Term Non-Firm Transmission Service.

1.28 Non-Firm Sale:

An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

1.29 Open Access Same-Time Information System (OASIS): KENTUCKY PUBLIC SERVICE COMMISSION

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The information system and standards of conduct contained in Part 37 of the Federal Energy Regulatory Commission's regulations and all additional requirements implemented by subsequent Federal Energy Regulatory Commission orders dealing with OASIS.

1.30 Part I:

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.31 Part II:

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.32 Part III:

Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.33 Parties:

Big Rivers and the Transmission Customer receiving service under the Tariff.

1.34 Point(s) of Delivery:

Point(s) on Big Rivers' Transmission System where capacity and energy transmitted

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by Big Rivers will be made available to the Receiving Party under Part II of the Tariff.

The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.35 Point(s) of Receipt:

Point(s) of interconnection on Big Rivers' Transmission System where capacity and energy will be made available to Big Rivers by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.36 Point-To-Point Transmission Service:

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.37 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.38 Pre-Confirmed Application:

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that Big Rivers can provide the requested Transmission Service.

1.39 Receiving Party:

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The entity receiving the capacity and energy transmitted by Big Rivers to Point(s) of Delivery.

1.40 Regional Transmission Group (RTG):

A voluntary organization of transmission owners, transmission users and other entities approved by the Federal Energy Regulatory Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.41 Reserved Capacity:

The maximum amount of capacity and energy that Big Rivers agrees to transmit for the Transmission Customer over Big Rivers' Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.42 Service Agreement:

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and Big Rivers for service under the Tariff.

1.43 Service Commencement Date:

The date Big Rivers begins to provide service pursuant to the terms of the executed

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Service Agreement, or the date Big Rivers begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.44 Short-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.45 System Condition

A specified condition on Big Rivers' system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.

1.46 System Impact Study:

An assessment by Big Rivers of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

1.47 Third-Party Sale:

Any sale for resale in interstate commerce to a Power Purchaser that is not designated

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as part of Network Load under the Network Integration Transmission Service.

1.48 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that Big Rivers file with the Kentucky Public Service Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

1.49 Monthly Transmission System Peak:

The maximum firm usage of Big Rivers' Transmission System in a calendar month.

1.50 Transmission Service:

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

1.51 Transmission System:

The facilities owned, controlled or operated by Big Rivers that are used to provide transmission service under Part II and Part III of the Tariff.

2 Initial Allocation and Renewal Procedures

2.1 Initial Allocation of Available Transfer Capability.

For purposes of determining whether existing capability on Big Rivers' Transmission

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System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

2.2 Reservation Priority For Existing Firm Service Customers:

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from Big Rivers when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from Big Rivers or elects to purchase capacity and energy from another supplier. If at the end of the contract term, Big Rivers' Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current rate in effect for such service; provided that, the firm service customer shall have a right of

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first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to Big Rivers whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to the date of implementation of this Tariff or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one year requirement on the first rollover date after the date of implementation of this Tariff; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of the date of implementation of this Tariff.

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. Big Rivers is required to provide and the Transmission Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

Big Rivers is required to offer to provide the following Ancillary Services only to

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the Transmission Customer serving load within the Big Rivers Control Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Big Rivers Control Area is required to acquire these Ancillary Services, whether from Big Rivers, from a third party, or by self-supply.

Big Rivers is required to provide (or offer to arrange with the local Control Area Operator as discussed below), to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when the Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within Big Rivers' Control Area is required to acquire Generator Imbalance Service, whether from Big Rivers, from a third-party, or by self-supply.

The Transmission Customer may not decline Big Rivers' offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from Big Rivers. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided

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by Big Rivers associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

In the event a Transmission Customer (including Big Rivers for Third-Party Sales) makes an unreserved use of Ancillary Services in excess of the amount of such services associated with reserved Point-to-Point Transmission Service under this Tariff or in a Service Agreement (if such Service Agreement specifies a lower amount of any one or more Ancillary Services), the Transmission Customer shall pay the amount owing for the Ancillary Services if they had been properly reserved, with a separate charge applicable to each hour in which unreserved Ancillary Services are taken. The charge for the unreserved use of Ancillary Services for each hour in which excess Ancillary Services are taken shall be equal to 100% of the maximum applicable Ancillary Services Charge for that hour. Penalties collected pursuant to this section shall be distributed in the manner set forth in section 15.8.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by Big Rivers in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by Big Rivers must be announced to all Eligible Customers solely by

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posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Big Rivers' system. Sections 3.1 through 3.7 below list the seven Ancillary Services.

3.1 Scheduling, System Control and Dispatch Service:

The rates and/or methodology are described in Schedule 1.

3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service:

The rates and/or methodology are described in Schedule 2.

3.3 Regulation and Frequency Response Service:

Where applicable the rates and/or methodology are described in Schedule 3.

3.4 Energy Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 4.

3.5 Operating Reserve - Spinning Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 5.

3.6 Operating Reserve - Supplemental Reserve Service:

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Where applicable the rates and/or methodology are described in Schedule 6.

3.7 Generator Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 9.

4 Open Access Same-Time Information System (OASIS)

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 CFR § 37 of the Federal Energy Regulatory Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities) and 18 C.F.R. § 38 of the Federal Energy Regulatory Commission's regulations (Business Practice Standards and Communication Protocols for Public Utilities). In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

Big Rivers shall post on OASIS and its public website an electronic link to all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. Big Rivers shall post on OASIS and on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. Big Rivers shall also post on its OASIS and on its public website an electronic link to a statement of the

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process by which Big Rivers shall add, delete or otherwise modify the rules, standards and practices that are not included in this tariff. Such process shall set forth the means by which Big Rivers shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that Big Rivers deems appropriate.

5 [Reserved for Future Use]

6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to Big Rivers on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates. A Transmission Customer that is a member of, or takes transmission service from, a power pool, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Federal Energy Regulatory Commission for the operation of transmission facilities also agrees to provide comparable transmission service to the transmission-owning members of such power pool and Regional Transmission Group, RTO, ISO or other transmission organization on similar terms and conditions over

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facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

7 Billing and Payment

7.1 Billing Procedure:

Within a reasonable time after the first day of each month, Big Rivers shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer by the first working day after the twenty-fourth day of the month. All

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payments shall be made in immediately available funds payable to Big Rivers, or by wire transfer to Old National Bank of Evansville, Indiana, ABA #086300012 for credit to Big Rivers' Account No. 1085559, or such other financial institution or account number as Big Rivers shall specify in writing.

7.2 Interest on Unpaid Balances:

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated using the one-year United States Treasury Bill rates effective as of the first business day of the calendar month in which an unpaid balance becomes overdue.

Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment, with interest calculated and pro-rated for that portion of the month in which amounts are outstanding. The applicable interest rate shall be recalculated each month using the new one year United States Treasury Bill rate effective as of the first business day of the month. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by Big Rivers.

7.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to Big Rivers on or before the due date as described above, and such failure of payment is not corrected within thirty (30)

calendar days after Big Rivers notifies the Transmission Customer to cure such failure,

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a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, Big Rivers may terminate service subject to any applicable regulatory approval or subject to the dispute resolution procedures of Section 11 if no regulatory approval is applicable; provided, however, that Big Rivers shall not be entitled to terminate service for non-payment of undisputed bills without application of the Section 11 dispute resolution procedures if no regulatory approvals are required. In the event of a billing dispute between Big Rivers and the Transmission Customer, Big Rivers will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then Big Rivers may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days.

8 Accounting for Big Rivers' Use of the Tariff

Big Rivers shall record the following amounts, as outlined below.

8.1 Transmission Revenues:

Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Tariff.

8.2 Study Costs and Revenues:

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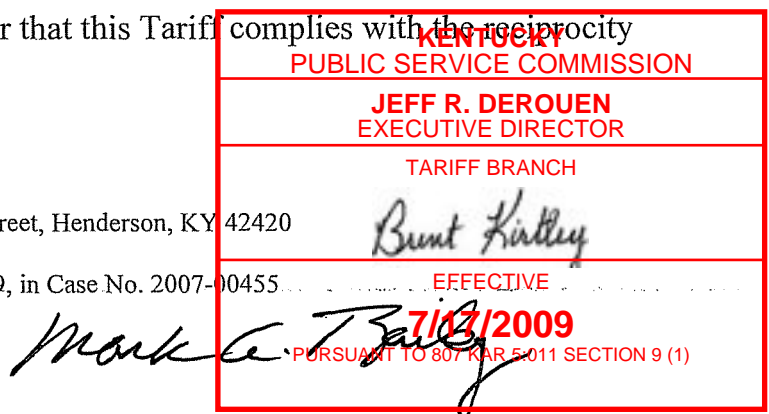
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Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which Big Rivers conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

9 Regulatory Filings

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of Big Rivers to unilaterally make changes in rates, terms and conditions, charges, classifications of service, rules or regulation of this Tariff. This Tariff, and any Service Agreement entered into thereunder, will terminate immediately at Big Rivers' option, if (1) upon request made by Big Rivers, the Federal Energy Regulatory Commission declines to issue a declaratory order approving this Tariff as complying with the reciprocity provisions of its Order Nos. 888 and 890; (ii) if a Federal Energy Regulatory Commission order approving the Tariff as complying with reciprocity is vacated on appeal; or (iii) if the Federal Energy Regulatory Commission subsequently alters its decision in the declaratory order that this Tariff complies with the reciprocity

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requirement and requires modifications to this Tariff that Big Rivers finds unacceptable. In the event Big Rivers terminates this Tariff pursuant to the above reasons, Big Rivers will continue to provide firm and non-firm transmission service to existing Transmission Customers pursuant to contractual commitments specified in Service Agreements so long as such Transmission Customers continue to grant reciprocal access to their own transmission systems or those of any affiliates pursuant to Section 6 of this Tariff.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise any applicable rights under the Federal Power Act and pursuant to the Federal Energy Regulatory Commission's rules and regulations promulgated thereunder.

10 Force Majeure and Indemnification

10.1 Force Majeure:

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither Big Rivers nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling

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the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

10.2 Indemnification:

The Transmission Customer shall at all times indemnify, defend, and save Big Rivers harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from Big Rivers' performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by Big Rivers.

11 Creditworthiness

Big Rivers will specify its Creditworthiness procedures in Attachment L.

12 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures:

Any dispute between a Transmission Customer and Big Rivers involving transmission service under the Tariff shall be referred to a designated senior representative of Big Rivers and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days or such longer period as the

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Parties may agree upon by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures:

Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable regulations or Regional Transmission Group rules.

12.3 Arbitration Decisions:

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the

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reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act.

12.4 Costs:

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

1. the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
2. one half the cost of the single arbitrator jointly chosen by the Parties.

12.5 Rights Under The Federal Power Act:

Nothing in this section shall restrict the rights of any party to take applicable action before a regulatory commission having valid jurisdiction over the subject of the complaint.

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II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

Big Rivers will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

13 Nature of Firm Point-To-Point Transmission Service

13.1 Term:

The minimum term of Firm Point-To-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement.

13.2 Reservation Priority:

- (i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has requested service.
- (ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter

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duration. Among requests or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmed, confirmed, or not confirmed), priority will be given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.

- (iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary) to comply with the scheduling

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deadlines provided in section 13.8) from being notified by Big Rivers of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

- (iv) Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Use of Firm Transmission Service by Big Rivers:

Big Rivers will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under agreements executed after the date this Tariff becomes effective. Big Rivers will maintain separate accounting, pursuant to Section

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8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements:

Big Rivers shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. Big Rivers shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, Big Rivers shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions.

Concurrent with such notice, Big Rivers shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons

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for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:

In cases where Big Rivers determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with Big Rivers' ability to meet prior firm contractual commitments to others, Big Rivers will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate Big Rivers for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent Big Rivers can relieve any system constraint by redispatching Big Rivers' generating resources, it shall do so, provided that the Eligible Customer agrees to compensate Big Rivers pursuant to the terms of Section 27 and agrees to either (i) compensate Big Rivers for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by Big Rivers of redispatch requirements as described in Section 15.4. Any redispatch, Network

Upgrade or Direct Assignment Facilities costs to be charged to the Transmission

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Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service:

In the event that a Curtailment on Big Rivers' Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the system directly and indirectly interconnected with Big Rivers' Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. Big Rivers may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, Big Rivers will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to Big Rivers' Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When Big Rivers determines that an electrical emergency exists

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on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of Big Rivers. However, Big Rivers reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in Big Rivers' sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. Big Rivers will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service:

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.
- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on Big Rivers' Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.

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- (c) Big Rivers shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7.

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Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. In the event that a Transmission Customer (including Big Rivers for Third-Party Sales) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved, the Transmission Customer shall pay, in addition to the amount owing for the reserved capacity, a penalty on the excess amount of transmission taken at the specific Point of Receipt or Point of Delivery where the reserved capacity was exceeded, with a separate penalty for each period of unreserved use. The penalty for the unreserved use of transmission service shall be equal to 200% of the maximum Firm Point-to-Point Transmission Service rate for the period of unreserved use, subject to the following principles: (1) For single or multiple instances of unreserved use within a single day, the penalty shall be 200% of the maximum applicable daily rate for Firm Point-to-Point Transmission Service, based on the hour during the day in which the unreserved use was highest; (2) for instances of unreserved use on two or more separate days within a single week, the penalty shall be 200% of the maximum weekly rate for Firm Point-to-

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Point Transmission Services, based on the hour during the week in which the unreserved use was highest; and (3) for instances of unreserved use on two or more separate days within two or more separate weeks within a calendar month, the penalty shall be 200% of the maximum monthly rate for Firm Point-to-Point Transmission Service, based on the hour during the month in which the unreserved use was highest. The 200% penalty amount charged for unreserved service shall comprise the charge for the service taken and is not additive. Penalties collected pursuant to this section shall be distributed in the manner specified in Section 15.8

13.8 Scheduling of Firm Point-To-Point Transmission Service:

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to Big Rivers no later than 10:00 a.m. of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of one (1) MW per hour. Transmission Customers within Big Rivers' service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under one (1) MW per hour, may consolidate their service requests at a common point of receipt into units of one (1) MW per hour for scheduling and billing purposes. Scheduling changes will be

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permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. Big Rivers will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify Big Rivers, and Big Rivers shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14 Nature of Non-Firm Point-To-Point Transmission Service

14.1 Term:

Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

14.2 Reservation Priority:

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Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by Big Rivers; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by Big Rivers. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service.

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Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 Use of Non-Firm Point-To-Point Transmission Service by Big Rivers:

Big Rivers will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under agreements executed on or after the date this Tariff goes into effect. Big Rivers will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements:

Big Rivers shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff.

14.5 Classification of Non-Firm Point-To-Point Transmission Service:

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. Big Rivers undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption

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under the terms of the Tariff. In the event that a Transmission Customer (including the Transmission Provider for Third-Party Sales) exceeds its non-firm capacity reservation at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved, the Transmission Customer shall pay, in addition to the amount owing for the reserved capacity, a penalty on the excess amount of transmission taken at the specific Point of Receipt or Point of Delivery where the reserved capacity was exceeded, with a separate penalty for each period of unreserved use. The penalty for the unreserved use of transmission service shall be equal to 200% of the maximum applicable Firm Point-to-Point Transmission Service rate for the period of unreserved use, subject to the following principles: (1) For single or multiple instances of unreserved use within a single day, the penalty shall be 200% of the maximum applicable daily rate for Firm Point-to-Point Transmission Service, based on the hour during the day in which the unreserved use was highest; (2) for instances of unreserved use on two or more separate days within a single week, the penalty shall be 200% of the maximum weekly rate for Firm Point-to-Point Transmission Service, based on the hour during the week in which the unreserved use was highest; and (3) for instances of unreserved use on two or more separate days within two or more separate weeks within a calendar month, the penalty shall be 200% of the maximum monthly rate for Firm Point-to-Point Transmission Service, based on

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the hour during the month in which the unreserved use was highest. The 200% penalty amount charged for unreserved service shall comprise the charge for the service taken and is not additive. Penalties collected pursuant to this section shall be distributed in the manner specified in Section 15.8. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service:

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to Big Rivers no later than 2:00 p.m. of the day prior to commencement of such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable. Hour-to-hour schedules of energy that is to be delivered must be stated in increments of one (1) MW per hour. Transmission Customers within Big Rivers' service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under one (1) MW per hour, may consolidate their schedules at a common Point of Receipt into units of one (1) MW per hour. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. Big Rivers will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by

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the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify Big Rivers, and Big Rivers shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service:

Big Rivers reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly and indirectly interconnected with Big Rivers' Transmission System. Big Rivers may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. Big Rivers reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional

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curtailment periods as described in Section 15.4. Big Rivers also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Big Rivers will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

15 Service Availability

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15.1 General Conditions:

Big Rivers will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transfer Capability:

A description of Big Rivers' specific methodology for assessing available transfer capability posted on Big Rivers' OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, Big Rivers will respond by performing a System Impact Study.

15.3 Initiating Service in the Absence of an Executed Service Agreement:

If Big Rivers and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, Big Rivers shall submit to the Transmission Customer, within thirty (30) days after the date the Transmission Customer provides written notification directing Big Rivers to do so, an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by Big Rivers for such requested Transmission Service. Big Rivers shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate Big Rivers at

its currently effective rate, and (ii) comply with the terms and conditions of the Tariff

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including posting appropriate security deposits in accordance with the terms of Section 17.3. In the event a Transmission Customer accepting transmission service from Big Rivers under an unexecuted agreement disagrees with the terms and conditions of such service, that customer shall have recourse to the dispute resolution procedures of Section 12 of the Tariff.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment:

- (a) If Big Rivers determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, Big Rivers will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate Big Rivers for such costs pursuant to the terms of Section 27. Big Rivers will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that Big Rivers has the right to expand or modify.

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- (b) If Big Rivers determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, Big Rivers will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) Big Rivers determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. Big Rivers shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.
- (c) If Big Rivers determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, Big Rivers will offer the Firm Transmission Service with the condition that Big Rivers may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, Big Rivers will use due diligence to provide the service until (i) Network

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Upgrades are completed for the Transmission Customer, (ii) Big Rivers determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

15.5 Deferral of Service:

Big Rivers may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission Service whenever Big Rivers determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

15.6 Other Transmission Service Schedules:

Eligible Customers receiving transmission service under other agreements may continue to receive transmission service under those agreements until such agreements may be modified by the parties or an applicable regulatory commission, or expire.

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. Big Rivers is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by Big

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Rivers. Big Rivers shall recalculate average system Real Power loss factors on a yearly basis according to the methodology specified in Schedule 10.

15.8 Distribution of Unreserved Use Penalties:

In the event that unreserved use occurs in a given month pursuant to Section 3, 13.7(c) 14.5, 28.6, and/or 30.4, Big Rivers shall distribute revenues that it receives as penalties for unreserved use to those Transmission Customers (including the Transmission Provider for Third-Party Sales and Native Load Customers) under this Tariff that reserved transmission service during the hours in which the unreserved use took place and did not incur unreserved use penalties in that hour; provided, however, that Big Rivers shall retain 50% of any unreserved use penalties to reflect the base charge for the unreserved use. In the event that Big Rivers' power supply incurs unreserved use penalties, Big Rivers shall be disqualified from receiving a distribution of unreserved use penalties for the hour in question, but shall nonetheless retain the portion of any unreserved use penalties that reflects the base Firm Point-to-Point Transmission Service charge for the unreserved use, as described in the preceding sentence.

Unreserved use penalty revenues shall be calculated and distributed on a monthly basis for each hour in which an unreserved penalty is assessed based upon the ratio of the transmission service revenues from each Transmission Customer that did not incur unreserved use penalties in that hour to the aggregate transmission service revenues

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from all such Transmission Customers that did not incur unreserved use penalties in that hour. Distribution shall be accomplished via a credit to the Transmission Customer's bill(s) for the applicable billing month or by a separate cash payment to the Transmission Customer during the applicable billing month, except that the Transmission Provider shall retain amounts allocated to itself for Third-Party Sales.

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers:

Point-To-Point Transmission Service shall be provided by Big Rivers only if the following conditions are satisfied by the Transmission Customer:

- (a) The Transmission Customer has pending a Completed Application for service;
- (b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- (c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to Big Rivers prior to the time service under Part II of the Tariff commences;
- (d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff,

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whether or not the Transmission Customer takes service for the full term of its reservation;

- (e) The Transmission Customer provides the information required by Big Rivers' planning process established in Attachment K; and
- (f) The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3.

16.2 Transmission Customer Responsibility for Third-Party Arrangements:

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by Big Rivers, notification to Big Rivers identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by Big Rivers pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, Big Rivers will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

17 Procedures for Arranging Firm Point-To-Point Transmission Service

17.1 Application:

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A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to:

Big Rivers Electric Corporation
201 Third Street, P.O. Box 24
Henderson, Kentucky 42420
Vice President System Operations
Telephone No. (502) 827-2561
Telefax No. (502) 827-0183

at least sixty (60) days in advance of the calendar month in which service is to commence. Big Rivers will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Big Rivers OASIS. Prior to implementation of Big Rivers' OASIS, a Completed Application may be submitted by (i) transmitting the required information to Big Rivers by telefax, or (ii) providing the information by telephone over Big Rivers' time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the priority of the Application.

17.2 Completed Application:

A Completed Application shall provide all of the information included in 18 CFR 2.20

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including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. Big Rivers will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. Big Rivers shall treat this information consistent with the standards of conduct contained in Part 37 of the Federal Energy Regulatory Commission's regulations;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the

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Receiving Party;

- (vii) The Service Commencement Date and the term of the requested Transmission Service;
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on Big Rivers' Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
- (ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that Big Rivers can provide the requested Transmission Service; and
- (x) Any additional information required by Big Rivers' planning process established in Attachment K.

Big Rivers shall treat this information consistent with the standards of conduct contained in Part 37 of the Federal Energy Regulatory Commission's regulations.

17.3 Deposit:

A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application

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is rejected by Big Rivers because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said deposit shall be returned with interest (calculated using the one-year United States Treasury Bill rates effective as of the first business day of each applicable calendar month) less any reasonable costs incurred by Big Rivers in connection with the review of the losing bidder's Application. The deposit also will be returned with interest (calculated as above) less any reasonable costs incurred by Big Rivers if Big Rivers is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest (calculated as above), less reasonable costs incurred by Big Rivers to the extent such costs have not already been recovered by Big Rivers from the Eligible Customer. Big Rivers will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for

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Firm Point-To-Point Transmission Service. Applicable interest shall be calculated from the day the deposit check is credited to Big Rivers' account.

17.4 Notice of Deficient Application:

If an Application fails to meet the requirements of the Tariff, Big Rivers shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. Big Rivers will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, Big Rivers shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

17.5 Response to a Completed Application:

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, Big Rivers shall make a determination of available transfer capability as required in Section 15.2. Big Rivers shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses by Big Rivers must be made as soon as

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practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

17.6 Execution of Service Agreement:

Whenever Big Rivers determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by Big Rivers will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service:

The Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof within

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15 days of notifying Big Rivers it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

18 Procedures for Arranging Non-Firm Point-To-Point Transmission Service

18.1 Application:

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to Big Rivers. Applications should be submitted by entering the information listed below on the Big Rivers OASIS. Prior to implementation of the Big Rivers OASIS, a Completed Application may be submitted by (i) transmitting the required information to Big Rivers by telefax, or (ii) providing the information by telephone over Big Rivers' time recorded telephone line. Each of these methods will provide a time stamped

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record for establishing the service priority of the Application.

18.2 Completed Application:

A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The Point(s) of Receipt and the Point(s) of Delivery;
- (iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and
- (v) The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, Big Rivers also may ask the Transmission Customer to provide the following:

- (vi) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service; and
- (vii) The electrical location of the ultimate load.

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Big Rivers will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. Big Rivers shall treat this information consistent with the standards of conduct contained in Part 37 of the Federal Energy Regulatory Commission's regulations.

- (viii) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that Big Rivers can provide the requested Transmission Service.

18.3 Reservation of Non-Firm Point-To-Point Transmission Service:

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than noon the day before service is to commence. Requests for service received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable.

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18.4 Determination of Available Transfer Capability:

Following receipt of a tendered schedule Big Rivers will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 15.2.

Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

19 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests

19.1 Notice of Need for System Impact Study:

After receiving a request for service, Big Rivers shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of Big Rivers' methodology for completing a System Impact Study is provided in Attachment D. If Big Rivers determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify Big Rivers if it elects to have Big Rivers study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. Big Rivers shall within thirty (30) days of receipt of a Completed

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Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse Big Rivers for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to Big Rivers within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify Big Rivers' estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, Big Rivers shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

- (ii) If in response to multiple Eligible Customers requesting service in relation

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to the same competitive solicitation, a single System Impact Study is sufficient for Big Rivers to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

- (iii) For System Impact Studies that Big Rivers conducts on its own behalf, Big Rivers shall record the cost of the System Impact Studies pursuant to Section 20.

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, Big Rivers will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Big Rivers Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's

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impact on the system constraint. If Big Rivers possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that Big Rivers is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. Big Rivers will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. Big Rivers shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the issuance of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures:

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If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, Big Rivers, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse Big Rivers for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to Big Rivers within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, Big Rivers will use due diligence to complete the required Facilities Study within a sixty (60) day period. If Big Rivers is unable to complete the Facilities Study in the allotted time period, Big Rivers shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the

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time required to complete such construction and initiate the requested service. The Transmission Customer shall provide Big Rivers with a letter of credit or other reasonable form of security acceptable to Big Rivers equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request the issuance of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications:

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of Big Rivers that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities:

Big Rivers shall use due diligence to add necessary facilities or upgrade its

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Transmission System within a reasonable time. Big Rivers will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

19.7 Partial Interim Service:

If Big Rivers determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, Big Rivers nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, Big Rivers shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

19.8 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting Big Rivers to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate Big Rivers for all costs incurred

pursuant to the terms of the Tariff. In order to exercise this option, the Eligible

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Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While Big Rivers agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate Big Rivers for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

19.9 Penalties for Failure to Meet Study Deadlines:

Sections 19.3 and 19.4 require Big Rivers to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

- (i) Big Rivers will post on its OASIS in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by Big Rivers in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Big Rivers will make this posting within thirty (30) days of the end of the calendar quarter.

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triggering the notice requirement.

- (ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, Big Rivers shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. Big Rivers may provide an explanation in its OASIS posting if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.
- (iii) Big Rivers is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its OASIS posting. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered Big Rivers' OASIS notification. The operational penalty will continue to be assessed each quarter until Big Rivers completes at least ninety (90) percent of all non-

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Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.

- (iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to \$500 for each day Big Rivers takes to complete the study beyond the 60-day deadline, and this penalty amount assessed against Big Rivers each month shall be distributed by Big Rivers in the following month proportionally among the Eligible Customers whose System Impact Studies or Facilities Studies were delayed in that month, in accordance with the days of delay experienced by each.

20 Procedures if Big Rivers is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service

20.1 Delays in Construction of New Facilities:

If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, Big Rivers shall promptly notify the Transmission Customer. In such circumstances, Big Rivers shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. Big Rivers also shall make available to the Transmission Customer studies

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and work papers related to the delay, including all information that is in the possession of Big Rivers that is reasonably needed by the Transmission Customer to evaluate any alternatives.

20.2 Alternatives to the Original Facility Additions:

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, Big Rivers shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request Big Rivers to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, Big Rivers shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event Big Rivers concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to any applicable regulatory commission with jurisdiction for resolution.

20.3 Refund Obligation for Unfinished Facility Additions:

If Big Rivers and the Transmission Customer mutually agree that no other reasonable

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alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest (calculated using the one-year United States Treasury Bill rates effective as of the first business day of each applicable calendar month). However, the Transmission Customer shall be responsible for all prudently incurred costs by Big Rivers through the time construction was suspended.

21 Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities

21.1 Responsibility for Third-Party System Additions:

Big Rivers shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. Big Rivers will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

21.2 Coordination of Third-Party System Additions:

In circumstances where the need for transmission facilities or upgrades is identified

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pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, Big Rivers shall have the right to coordinate construction on its own system with the construction required by others. Big Rivers, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. Big Rivers shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by Big Rivers of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12.

22 Changes in Service Specifications

22.1 Modifications On a Non-Firm Basis:

The Transmission Customer taking Firm Point-To-Point Transmission Service may request Big Rivers to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement ("Secondary Receipt and Delivery Points"), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service charge

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or executing a new Service Agreement, subject to the following conditions.

- (a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by Big Rivers on behalf of its Native Load Customers.
- (b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.
- (c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.
- (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

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22.2 Modification On a Firm Basis:

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

23 Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service:

Subject to Federal Energy Regulatory Commission approval of any necessary filings, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) Big Rivers' maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at Big Rivers' cost of expansion; provided that, for service prior to

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between the Reseller and the Assignee.

The Assignee must execute a service agreement with Big Rivers governing reassignments of transmission service prior to the date on which the reassigned service commences. Big Rivers shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with Big Rivers or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with Big Rivers or the associated OASIS schedule; provided that, such credit shall be reversed in the event of non-payment by the Assignee. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by Big Rivers pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service:

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, Big Rivers will consent to such change subject to the provisions of the Tariff, provided that

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the change will not impair the operation and reliability of Big Rivers' generation, transmission, or its member distribution systems. The Assignee shall compensate Big Rivers for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by Big Rivers and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service:

In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on Big Rivers' OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use Big Rivers' OASIS to post transmission capacity available for resale.

24 Metering and Power Factor Correction at Receipt and Delivery Points(s)

24.1 Transmission Customer Obligations:

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to Big Rivers. Such equipment shall remain the property of the Transmission Customer.

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24.2 Transmission Provider Access to Metering Data:

Big Rivers shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

24.3 Power Factor:

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as Big Rivers pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

25 Compensation for Transmission Service

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). Big Rivers shall use Part II of the Tariff to make its Third-Party Sales. Big Rivers shall account for such use at the applicable Tariff rates, pursuant to Section 8.

26 Stranded Cost Recovery

Big Rivers may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888.

27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by Big Rivers in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new

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facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Federal Energy Regulatory Commission policy. Whenever a System Impact Study performed by Big Rivers identifies capacity constraints that may be relieved by redispatching Big Rivers' resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs to the extent consistent with Federal Energy Regulatory Commission policy.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

Big Rivers will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which Big Rivers utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of

Part II of the Tariff.

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28 Nature of Network Integration Transmission Service

28.1 Scope of Service:

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in Big Rivers' Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

28.2 Transmission Provider Responsibilities:

Big Rivers will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over Big Rivers' Transmission System. Big Rivers, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by Big Rivers to calculate available transfer capability. Big Rivers shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and

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Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to Big Rivers' delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service:

Big Rivers will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to Big Rivers' use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service:

The Network Customer may use Big Rivers' Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

28.5 Real Power Losses:

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Real Power Losses are associated with all transmission service. Big Rivers is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service rendered by Big Rivers at Real Power loss factors calculated by Big Rivers. Big Rivers shall recalculate average system Real Power Loss factors on an annual basis using the methodology specified in Schedule 10 of the Tariff.

28.6 Restrictions on Use of Service:

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of Big Rivers' Transmission System. In the event that a Network Customer (including the Transmission Provider) uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load, such use shall constitute an unreserved use of transmission service. In such instances of unreserved use, the Transmission Customer shall pay a charge on the excess amount of transmission taken,

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with a separate penalty for each period of unreserved use. The charge for the unreserved use of transmission service shall be equal to 200% of the maximum Firm Point-to-Point Transmission Service rate for the period of unreserved use, subject to the following principles: (1) For single or multiple instances of unreserved use within a single day, the charge shall be 200% of the maximum applicable daily rate (on-peak or off-peak, depending upon the day in which the unreserved use occurs) for Firm Point-to-Point Transmission Service, based on the hour during the day in which the unreserved use was highest; (2) for instances of unreserved use on two or more separate days within a single week, the charge shall be 200% of the maximum weekly rate for Firm Point-to-Point Transmission Service, based on the hour during the week in which the unreserved use was highest; and (3) for instances of unreserved use on two or more separate days within two or more separate weeks within a calendar month, the penalty shall be 200% of the maximum monthly rate for Firm Point-to-Point Service, based on the hour during the month in which the unreserved use was highest. The 200% amount charged for unreserved service shall comprise the charge for the service taken and is not additive. Penalties collected pursuant to this section shall be distributed in the manner specified in Section 15.8.

29 Initiating Service

29.1 Condition Precedent for Receiving Service:

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Subject to the terms and conditions of Part III of the Tariff, Big Rivers will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and Big Rivers complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that Big Rivers implement a proposed unexecuted Service Agreement, and (iv) the Eligible Customer executes a Network Operating Agreement with Big Rivers pursuant to Attachment G, or requests in writing that Big Rivers file a proposed unexecuted Network Operating Agreement.

29.2 Application Procedures:

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to Big Rivers as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on Big Rivers' OASIS. Prior to implementation of Big Rivers' OASIS, a Completed

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Application may be submitted by (i) transmitting the required information to Big Rivers by telefax, or (ii) providing the information by telephone over Big Rivers' time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;
- (iv) The amount and location of any interruptible loads included in the

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Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;

(v) A description of Network Resources (current and 10-year projection). For each on-system Network Resource, such description shall include:

- Unit size and amount of capacity from that unit to be designated as Network Resource
- VAR capability (both leading and lagging) of all generators
- Operating restrictions
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or

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contract reasons

- Approximate variable generating cost (\$/MWH) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in Big Rivers Control Area, where only a portion of unit output is designated as a Network Resource;

For each off-system Network Resource, such description shall include:

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the control area from which the power will originate
- Delivery point(s) to Big Rivers' Transmission System
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations ~~required for system reliability or~~

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- Approximate variable generating cost (\$/MWH) for redispatch computations;

(vi) Description of Eligible Customer's transmission system:

- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by Big Rivers
- Operating restrictions needed for reliability
- Operating guides employed by system operators
- Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
- Location of Network Resources described in subsection (v) above
- 10 year projection of system expansions or upgrades
- Transmission System maps that include any proposed expansions or upgrades
- Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;

(vii) Service Commencement Date and the term of the requested Network

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Integration Transmission Service. The minimum term for Network

Integration Transmission Service is one year;

(viii) A statement signed by an authorized officer from or agent of the Network

Customer attesting that all of the network resources listed pursuant to

Section 29.2(v) satisfy the following conditions: (1) the Network

Customer owns the resource, has committed to purchase generation

pursuant to an executed contract, or has committed to purchase generation

where execution of a contract is contingent upon the availability of

transmission service under Part III of the Tariff; and (2) the Network

Resources do not include any resources, or any portion thereof, that are

committed for sale to non-designated third party load or otherwise cannot

be called upon to meet the Network Customer's Network Load on a non-

interruptible basis, except for purposes of fulfilling obligations under a

reserve sharing program; and

(ix) Any additional information required of the Transmission Customer as

specified in Big Rivers' planning process established in Attachment K.

Unless the Parties agree to a different time frame, Big Rivers must acknowledge the

request within ten (10) days of receipt. The acknowledgement must include a date by

which a response, including a Service Agreement, will be sent to the Eligible

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Customer. If an Application fails to meet the requirements of this section, Big Rivers shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, Big Rivers will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, Big Rivers shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. Big Rivers shall treat this information consistent with the standards of conduct contained in Part 37 of the Federal Energy Regulatory Commission's regulations.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service:

Network Integration Transmission Service shall not commence until Big Rivers and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. Big Rivers shall exercise reasonable efforts, in coordination with the Network Customer, to complete such

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arrangements as soon as practicable taking into consideration the Service Commencement Date.

29.4 Network Customer Facilities:

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from Big Rivers' Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

29.5 Filing of Service Agreement:

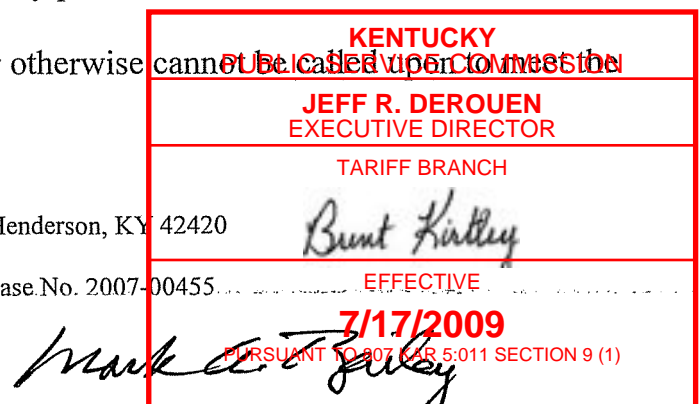
Big Rivers, if required, will file Network Service Agreements with applicable regulatory commissions in compliance with applicable regulations.

30 Network Resources

30.1 Designation of Network Resources:

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the

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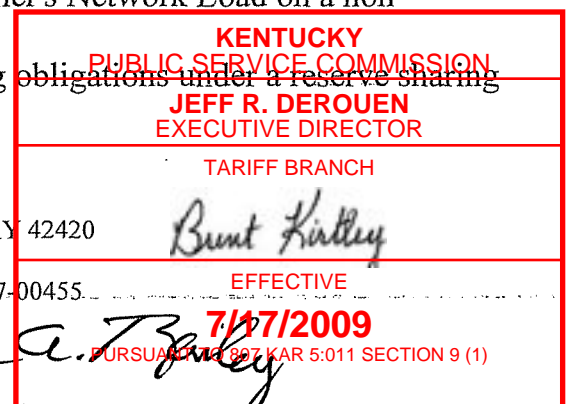
Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

30.2 Designation of New Network Resources:

The Network Customer may designate a new Network Resource by providing Big Rivers with as much advance notice as practicable. A designation of a new Network Resource must be made through Big Rivers' OASIS by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing

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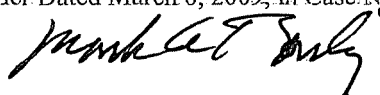
program. The Network Customer's request will be deemed deficient if it does not include this statement and Big Rivers will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.3 Termination of Network Resources:

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to Big Rivers through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

- (i) Effective date and time of temporary termination;
- (ii) Effective date and time of redesignation, following period of temporary termination;
- (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;

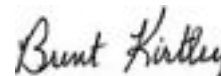
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- (iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and
- (v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and Big Rivers will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.4 Operation of Network Resources:

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Big Rivers' Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered

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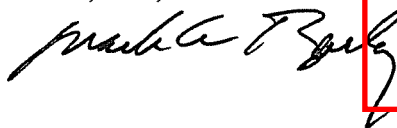
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pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of Big Rivers to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with Big Rivers' Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within Big Rivers' Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. In the event that a Network Customer's (including Big Rivers) schedule at the delivery point for a Network Resource not physically interconnected with Big Rivers' Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service, the difference between the Network Customer's schedule across the interface between the Transmission System and the transmission system in which the Network Resource resides and the Network Resource's designated capacity shall constitute an unreserved use of transmission service. In such instances of unreserved

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use, the Transmission Customer shall pay a penalty on the excess amount of transmission taken, with a separate penalty charge for each period of unreserved use. The charge for the unreserved use of transmission service shall be equal to 200% of the maximum Firm Point-to-Point Transmission Service rate for the period of unreserved use, subject to the following principles: (1) For single or multiple instances of unreserved use within a single day, the charge shall be 200% of the maximum applicable daily rate for Firm Point-to-Point Transmission Service, based on the hour during the day in which the unreserved use was highest; (2) for instances of unreserved use on two or more separate days within a single week, the charge shall be 200% of the maximum weekly rate for Firm Point-to-Point Transmission Service, based on the hour during the week in which the unreserved use was highest; and (3) for instances of unreserved use on two or more separate days within two or more separate weeks within a calendar month, the charge shall be 200% of the maximum monthly rate for Firm Point-to-Point Transmission Service, based on the hour during the month in which the unreserved use was highest. The 200% of the maximum rate charged for unreserved service shall comprise the charge for the service taken and is not additive. Penalties collected pursuant to this section shall be distributed in the manner specified in Section 15.8.

30.5 Network Customer Redispatch Obligation

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As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispach its Network Resources as requested by Big Rivers pursuant to Section 33.2. To the extent practical, the redispach of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and Big Rivers.

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With Big Rivers:

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with Big Rivers' Transmission System. Big Rivers will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

30.7 Limitation on Designation of Network Resources:

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under

Part III of the Tariff.

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30.8 Use of Interface Capacity by the Network Customer:

There is no limitation upon a Network Customer's use of Big Rivers' Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of Big Rivers' total interface capacity with other transmission systems may not exceed the Network Customer's Load.

30.9 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with Big Rivers' Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of Big Rivers, to serve its power and transmission customers. For facilities added by the Network Customer subsequent to the effective date of this Tariff, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of Big Rivers' facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by Big Rivers, would be eligible for inclusion in Big Rivers' annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this

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subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

31 Designation of Network Load

31.1 Network Load:

The Network Customer must designate the individual Network Loads on whose behalf Big Rivers will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

31.2 New Network Loads Connected With Big Rivers:

The Network Customer shall provide Big Rivers with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. Big Rivers will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Federal Energy Regulatory Commission policies.

31.3 Network Load Not Physically Interconnected with Big Rivers:

This section applies to both initial designation pursuant to Section 31.1 and the

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subsequent addition of new Network Load not physically interconnected with Big Rivers. To the extent that the Network Customer desires to obtain transmission service for a load outside Big Rivers' Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

31.4 New Interconnection Points:

To the extent the Network Customer desires to add a new Delivery Point or interconnection point between Big Rivers' Transmission System and a Network Load, the Network Customer shall provide Big Rivers with as much advance notice as reasonably practicable.

31.5 Changes in Service Requests:

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the

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Network Customer of its obligation to pay the costs of transmission facilities constructed by Big Rivers and charged to the Network Customer as reflected in the Service Agreement. However, Big Rivers must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

31.6 Annual Load and Resource Information Updates:

The Network Customer shall provide Big Rivers with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any information provided under section 29.2(ix) pursuant to Big Rivers' planning process in Attachment K. The Network Customer also shall provide Big Rivers with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting Big Rivers' ability to provide reliable service.

32 Additional Study Procedures For Network Integration Transmission Service Requests

32.1 Notice of Need for System Impact Study:

After receiving a request for service, Big Rivers shall determine on a non-

discriminatory basis whether a System Impact Study is needed. A description of Big

Rivers' methodology for completing a System Impact Study is provided in Attachment

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D. If Big Rivers determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, Big Rivers shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse Big Rivers for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to Big Rivers within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify Big Rivers' estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, Big Rivers shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably

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necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for Big Rivers to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that Big Rivers conducts on its own behalf, Big Rivers shall record the cost of the System Impact Studies pursuant to Section 8.

32.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, Big Rivers will use due diligence to complete the required System Impact Study within a sixty (60) day period.

The System Impact Study shall (1) identify any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service.

For customers requesting the study of redispatch options, the System Impact Study

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shall (1) identify all resources located within Big Rivers' Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If Big Rivers possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that Big Rivers is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. Big Rivers will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. Big Rivers shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement, or the Application shall be

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deemed terminated and withdrawn.

32.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, Big Rivers, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse Big Rivers for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to Big Rivers within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest (calculated using the one-year United States Treasury Bill rates effective as of the first business day of each applicable calendar month). Upon receipt of an executed Facilities Study Agreement, Big Rivers will use due diligence to complete the required Facilities Study within a sixty (60) day period. If Big Rivers is unable to complete the Facilities Study in the allotted time period, Big Rivers shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a

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good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide Big Rivers with a letter of credit or other reasonable form of security acceptable to Big Rivers equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

33 Load Shedding and Curtailments

33.1 Procedures:

Prior to the Service Commencement Date, Big Rivers and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System and on systems directly and indirectly interconnected with Transmission Provider's Transmission System. The Parties will implement such programs during any period when Big Rivers determines that a system contingency

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exists and such procedures are necessary to alleviate such contingency. Big Rivers will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

33.2 Transmission Constraints:

During any period when Big Rivers determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of Big Rivers' system, Big Rivers will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of Big Rivers' system. To the extent Big Rivers determines that the reliability of the Transmission System can be maintained by redispatching resources, Big Rivers will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and Big Rivers' own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between Big Rivers' use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints:

Whenever Big Rivers implements least-cost redispatch procedures in response to a transmission constraint, Big Rivers and Network Customers will each bear a

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proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

33.4 Curtailments of Scheduled Deliveries:

If a transmission constraint on Big Rivers' Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and Big Rivers determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement or pursuant to the Transmission Loading Relief procedures specified in Attachment J.

33.5 Allocation of Curtailments:

Big Rivers shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by Big Rivers and Network Customer in proportion to their respective Load Ratio Shares. Big Rivers shall not direct the Network Customer to Curtail schedules to an extent greater than Big Rivers would Curtail Big Rivers' schedules under similar circumstances.

33.6 Load Shedding:

To the extent that a system contingency exists on Big Rivers' Transmission System and Big Rivers determines that it is necessary for Big Rivers and the Network Customer to shed load, the Parties shall shed load in accordance with previously

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established procedures under the Network Operating Agreement.

33.7 System Reliability:

Notwithstanding any other provisions of this Tariff, Big Rivers reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on Big Rivers' part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on Big Rivers' Transmission System or on any other system(s) directly or indirectly interconnected with Big Rivers' Transmission System, Big Rivers, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. Big Rivers will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will not be unduly discriminatory relative to Big Rivers' use of the Transmission System on behalf of its Native Load Customers. Big Rivers shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails

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to respond to established Load Shedding and Curtailment procedures.

34 Rates and Charges

The Network Customer shall pay Big Rivers for any Direct Assignment Facilities, Ancillary Services, and applicable study costs along with the following:

34.1 Monthly Demand Charge:

The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement specified in Schedule H.

34.2 Determination of Network Customer's Monthly Network Load:

The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with Big Rivers under Section 31.3) coincident with Big Rivers' Monthly Transmission System Peak.

34.3 Determination of Transmission Provider's Monthly Transmission System Load:

Big Rivers' monthly Transmission System load is Big Rivers' Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.

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34.4 Redispatch Charge:

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and Big Rivers pursuant to Section 33. To the extent that Big Rivers incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

34.5 Stranded Cost Recovery:

Big Rivers may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888.

35 Operating Arrangements

35.1 Operation under The Network Operating Agreement:

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

35.2 Network Operating Agreement:

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network

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Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within Big Rivers' Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between Big Rivers and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside Big Rivers' Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1, (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with Big Rivers, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO. Big Rivers shall not

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unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

35.3 Network Operating Committee:

A Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

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SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into Big Rivers' Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by Big Rivers. The Transmission Customer must purchase this service from Big Rivers. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below:

\$0.8275/kW per year

\$0.0690/kW per month

\$0.0159/kW per week

\$0.0032/kW per day

\$0.1989 per MWh.

For firm point-to-point and non-firm point-to-point transmission service, the applicable rate shall be multiplied by the Transmission Customer's Reserved Capacity. For network integration transmission service, the rate per kW per month shall be multiplied by the Transmission Customer's monthly Network Load.

Dynamic Scheduling Service also will be provided by Big Rivers to the Transmission Customer as part of this service upon request at costs to be determined.

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Service involves the arrangement for moving the electrical effects of load or generation located within one Control Area (or other larger area of coordinated dispatch operation) such that the electrical effect of the load or generation is recognized in the real-time control and dispatch of another Control Area. Under Dynamic Scheduling Service, Big Rivers agrees to assign certain customer load or generation to another Control Area, and to send the associated control signals to the respective control center of that Control Area. Dynamic Scheduling is implemented through the use of specific telemetry and control equipment, which a Transmission Customer requesting Dynamic Scheduling Service is required to provide and install at its own cost. The provisions under which Big Rivers will provide Dynamic Scheduling Service are set forth below:

- (1) The Transmission Customer may designate any amount of firm Point-to-Point Transmission Service as Dynamic Scheduling Service.
- (2) Designation of any amount of Firm Transmission Service as Dynamic Scheduling Service shall not relieve the Transmission Customer from paying Big Rivers the transmission charges for the total amount of reserved transmission capacity.
- (3) The amount of Firm Transmission Service not designated as Dynamic Scheduling Service shall be scheduled pursuant to the terms and conditions of this Tariff.
- (4) The amount of Firm Transmission Service designated as Dynamic Scheduling Service need not be scheduled, and no scheduling charge will be levied by Big Rivers.

In addition, assignment to Third-Parties and use of Secondary Point(s) of Receipt and Delivery

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shall not be allowed for Firm Transmission Service designated as Dynamic Scheduling Service.

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SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on Big Rivers' transmission facilities within acceptable limits, generating facilities and non-generation resources capable of providing this service that are under the control of the control area operator are operated to produce (or absorb) reactive power as required by Big Rivers' transmission facilities. All Transmission Customers taking service from Big Rivers under this Tariff must obtain Reactive Supply and Voltage Control from Generation or Other Sources Service from Big Rivers for each transaction on Big Rivers' transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by Big Rivers.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided by Big Rivers. The Transmission Customer must purchase this service from Big Rivers. The charges for such service will be based on the rates set forth below:

\$ 1.6924/kW per year

\$0.1410/kW per month

\$0.0325/kW per week

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\$0.0065/kW per day

\$0.4068 per MWh.

For firm point-to-point and non-firm point-to-point transmission service, the applicable rate shall be multiplied by the Transmission Customer's Reserved Capacity. For network integration transmission service, the rate per kW per month shall be multiplied by the Transmission Customer's monthly Network Load.

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SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load within Big Rivers' Control Area and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation in Big Rivers' Control Area, the output of which is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with Big Rivers. Big Rivers must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from Big Rivers, or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The amount of and charges for Regulation and Frequency Response Service are set forth below:

\$1.4938/kW per year

\$0.1245/kW per month

\$0.0287/kW per week

\$0.0057/kW per day

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\$0.3591 per MWh.

For firm point-to-point and non-firm point-to-point transmission service, the applicable rate shall be multiplied by the Transmission Customer's Reserved Capacity. For network integration transmission service, the rate per kW per month shall be multiplied by the Transmission Customer's monthly Network Load.

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SCHEDULE 4

Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. Big Rivers must offer this service when a Transmission Customer's requested transmission service is used to serve load within Big Rivers' Control Area. The Transmission Customer must either purchase this service from Big Rivers or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for Big Rivers, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to Big Rivers by that Control Area operator. Big Rivers may charge a Transmission Customer a penalty for either hourly energy imbalances under this Schedule or a penalty for hourly generator imbalances under Schedule 9 for imbalances occurring during the same hour, but not both, unless the imbalances aggravate rather than offset each other.

Big Rivers shall establish charges for energy imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at 100 percent of incremental or decremental cost; (ii)

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deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s), will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s), will be settled financially, at the end of each month, at 125 percent of incremental cost or 75 percent of decremental cost.

For purposes of this Schedule, decremental cost shall represent Big Rivers' actual average hourly cost of the last 10 MW dispatched for any purpose, e.g., to supply Big Rivers' Native Load Customers, correct imbalances, or make off-system sales, based on the replacement cost of fuel, unit heat rates, start-up costs (including any commitment and redispatch costs), incremental operation and maintenance costs, and purchase and interchange power costs and taxes, as applicable.

In the event that Big Rivers assesses penalties for imbalances pursuant to this Schedule 4, Big Rivers shall distribute the penalty revenues in excess of Big Rivers' incremental cost of providing imbalance service for each hour to those Transmission Customers (including Big Rivers for Third-Party Sales and Native Load Customers) under this Tariff that reserved transmission service during the hour in which the imbalance occurred and did not incur imbalance penalties.

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(under either this Schedule 4 or Schedule 9) in that hour. In the event that a division or organization within Big Rivers incurs imbalance penalties, Big Rivers shall be disqualified from receiving a distribution of imbalance penalties in that hour, but nonetheless shall retain its incremental cost of providing imbalance energy.

Imbalance penalty revenues shall be calculated on an hourly basis and distributed on a monthly basis, based upon the ratio of the monthly transmission service revenues from each Transmission Customer that did not incur imbalance penalties in that hour to the aggregate monthly transmission service revenues from all such Transmission Customers that did not incur imbalance penalties in that hour. For purposes of distributing imbalance penalty revenues, each Transmission Customer's transmission service taken shall be based upon its bill(s) during the service month in which the imbalance penalties are being distributed, without regard to any recalculation as the result of a billing dispute or error correction. If there are no customers that do not incur imbalance penalties in a given hour, any revenues in excess of Big Rivers' incremental cost of providing that imbalance service shall be distributed and allocated to Transmission Customers that do not incur an imbalance penalty in the first hour after imbalance penalties are incurred and at least one Transmission Customer does not incur an imbalance penalty, using the calculation outlined in the preceding two sentences for the hour in which at least one Transmission Customer does not incur an imbalance penalty. If a penalty distribution is carried forward into an hour within a month following the month in which the hourly imbalance actually

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occurred, interest shall be calculated using the one-year United States Treasury Bill rate effective as of the first business day of the calendar month. Distribution shall be accomplished via a credit to the Transmission Customer's bill(s) for the applicable billing month or by a separate cash payment to the Transmission Customer during the applicable billing month, except that the Transmission Provider shall retain amounts allocated to itself for Third-Party Sales.

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SCHEDULE 5

Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. Big Rivers must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from Big Rivers or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The amount of and charges for Spinning Reserve Service are set forth below:

\$0.7668 per kW per year

\$0.0639/kW per month

\$0.0147/kW per week

\$0.0029/kW per day

\$0.1843 per MWh.

For firm point-to-point and non-firm point-to-point transmission service, the applicable rate shall be multiplied by the Transmission Customer's Reserved Capacity. For network integration transmission service, the rate per kW per month shall be multiplied by the Transmission Customer's monthly Network Load.

Issued by: Mark A. Bailey, President and CEO, 201 Third Street, Henderson, KY 42420

Issued on: October 9, 2009

Effective Date: July 17, 2009, by Order Dated March 6, 2009, in Case No. 2007-00455.

Mark A. Bailey

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**JEFF R. DEROUEN
EXECUTIVE DIRECTOR**

TARIFF BRANCH

Brent Kirtley

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SCHEDULE 6

Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. Big Rivers must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from Big Rivers or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The amount of and charges for Supplemental Reserve Service are set forth below:

\$0.9372/kW per year

\$0.0781/kW per month

\$0.0180/kW per week

\$0.0036/kW per day

\$0.2253 per MWh.

For firm point-to-point and non-firm point-to-point transmission service, the applicable rate shall be multiplied by the Transmission Customer's Reserved Capacity. For network integration transmission service, the rate per kW per month shall be multiplied by the

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Transmission Customer's monthly Network Load.

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SCHEDULE 7

Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate Big Rivers each month for Reserved Capacity at the sum of the applicable charges set forth below:

- 1) **Yearly delivery:** one-twelfth of the demand charge of \$ 11.985/KW of Reserved Capacity per year.
- 2) **Monthly delivery:** \$ 0.999/KW of Reserved Capacity per month.
- 3) **Weekly delivery:** \$ 0.230/KW of Reserved Capacity per week.
- 4) **Daily delivery:** \$ 0.046 /KW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

- 5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by Big Rivers must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount

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agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, Big Rivers must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

- 6) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

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SCHEDULE 8

Non-Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate Big Rivers for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

- 1) **Monthly delivery:** \$ 0.999/KW of Reserved Capacity per month.
- 2) **Weekly delivery:** \$ 0.230/KW of Reserved Capacity per week.
- 3) **Daily delivery:** \$ 0.046/KW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

- 4) **Hourly delivery:** The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$ 2.881 /MWH. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

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- 5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by Big Rivers must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, Big Rivers must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.
- 6) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

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SCHEDULE 9

Generator Imbalance Service

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in Big Rivers' Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within Big Rivers' Control Area over a single hour. Big Rivers must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer must either purchase this service from Big Rivers or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. Big Rivers may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or a penalty for hourly energy imbalances under Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

Charges for generator imbalance shall be based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of each month, at 100 percent of incremental or decremental cost, (ii) deviations greater than +/- 1.5

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percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled at 125 percent of incremental cost or 75 percent of decremental cost, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by Big Rivers, a balancing authority, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent incremental and decremental cost. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

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For purposes of this Schedule, decremental cost shall represent Big Rivers' actual average hourly cost of the last 10 MW dispatched for any purpose, e.g., to supply Big Rivers' Native Load Customers, correct imbalances, or make off-system sales, based on the replacement cost of fuel, unit heat rates, start-up costs (including any commitment and redispatch costs), incremental operation and maintenance costs, and purchased and interchange power costs and taxes as applicable.

In the event that Big Rivers assesses penalties for imbalances pursuant to this Schedule 9, Big Rivers shall distribute the penalty revenues in excess of Big Rivers' incremental cost of providing imbalance service to those Transmission Customers (including Big Rivers for Third-Party Sales and Native Load Customers) under this Tariff that reserved transmission service during that hour and did not themselves incur imbalance penalties (under the deviation bands (ii) or (iii) for either this Schedule 4 or Schedule 9) in the hour in which the imbalances occurred. In the event that a division or organization within Big Rivers incurs imbalance penalties, Big Rivers shall be disqualified from receiving a distribution of imbalance penalties during that hour, but nonetheless shall retain its incremental cost of providing imbalance energy.

Imbalance penalty revenues shall be calculated and distributed on a monthly basis, based upon the ratio of the monthly transmission service revenues from each Transmission Customer that did not incur imbalance penalties in that hour to the aggregate monthly transmission service revenues from all such Transmission Customers that did not incur imbalance penalties in that

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hour. For purposes of distributing imbalance penalty revenues, each Transmission Customer's transmission service revenues shall be based upon its bill(s) during the service month in which the imbalance penalties are being distributed, without regard to any recalculation as the result of a billing dispute or error correction. If there are no customers that do not incur imbalance penalties in a given hour, any revenues in excess of Big Rivers' incremental cost of providing that imbalance service shall be distributed and allocated to Transmission Customers that do not incur imbalance penalties in the first hour after the imbalance penalties are incurred and at least one Transmission Customer does not incur an imbalance penalty, using the calculation outlined in the preceding two sentences for the hour in which at least one Transmission Customer does not incur an imbalance penalty. If a penalty distribution is carried forward into an hour within a month following the month in which the hourly imbalance actually occurred, interest shall be calculated using the one-year United States Treasury Bill rate effective as of the first day of the calendar month. Distribution shall be accomplished via a credit to the Transmission Customer's bill(s) for the applicable billing month or by a separate cash payment to the Transmission Customer during the applicable billing month, except that the Transmission Provider shall retain amounts allocated to itself for Third-Party Sales.

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SCHEDULE 10

Real Power Loss Factor Calculation

Real Power Losses are associated with all Transmission Service and must be provided by all Transmission Customers taking service under this Tariff. In January of every year, the average loss rate for the previous calendar year shall be calculated in the following manner:

Annual power losses

Average loss rate = _____

Big Rivers' deliveries of energy

with

Annual power losses = [Big Rivers' receipt of energy – Big Rivers' deliveries of energy].

Big Rivers' receipts of energy shall be determined as the sum of: (i) energy from generation in Big Rivers' control area (excluding all generating station use); (ii) imports of energy for delivery within Big Rivers' control area (determined at Big Rivers' receipt points, including dynamically scheduled loads); (iii) receipts of energy for wheeling through transmission by others; and (iv) net inadvertent power exchanges with other control areas.

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areas (i.e., inadvertent receipts minus inadvertent deliveries).

Big Rivers' deliveries of energy shall be determined as the sum of: (i) all deliveries of energy to destinations located within Big Rivers' control area (including deliveries to Henderson Municipal Power & Light); (ii) exports of energy from Big Rivers' control area (measured at Big Rivers' delivery points, including dynamically scheduled exports); and (iii) deliveries of energy for wheeling through transmission by others.

The three year average of the most currently calculated annual loss rate and the annual loss rate calculated for each of the previous two years shall become the effective annual loss rate as of February 1 in each year.

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ATTACHMENT A

**Form Of Service Agreement For
Firm Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between Big Rivers Electric Corporation ("Big Rivers"), and _____ ("Transmission Customer").
- 2.0 The Transmission Customer has been determined by Big Rivers to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to Big Rivers an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Kentucky Public Service Commission, to the extent applicable. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.
- 5.0 Big Rivers agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

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Big Rivers Electric Corporation
201 Third Street, P.O. Box 24
Henderson, Kentucky 42420
Telephone No. (270) 827-2561
Vice President System Operations

Transmission Customer:

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Big Rivers:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

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Specifications For Long-Term Firm Point-To-Point
Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Big Rivers including the electric Control Area in which the transaction originates.

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of capacity and energy to be transmitted
(Reserved Capacity): _____

6.0 Designation of party(ies) subject to reciprocal service
obligation: _____

7.0 Name(s) of any Intervening Systems providing transmission
service: _____

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8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: _____

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

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ATTACHMENT A-1

**Form Of Service Agreement For
The Resale, Reassignment Or Transfer Of
Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between Big Rivers Electric Corporation ("Big Rivers"), and _____ (the Assignee).
- 2.0 The Assignee has been determined by Big Rivers to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Big Rivers Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
- 4.0 Big Rivers shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

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Big Rivers Electric Corporation
201 Third Street, P.O. Box 24
Henderson, Kentucky 42420
Telephone No. (270) 827-2561
Vice President System Operations

Assignee:

6.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Big Rivers Electric Corporation:

By: _____
Name Title Date

Assignee:

By: _____
Name Title Date

Issued by: Mark A. Bailey, President and CEO, 201 Third Street, Henderson, KY 42420
Issued on: October 9, 2009
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Specifications For The Resale, Reassignment Or Transfer of
Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Big Rivers including the electric Control Area in which the transaction originates.

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of reassigned capacity: _____

6.0 Designation of party(ies) subject to reciprocal service obligation: _____

7.0 Name(s) of any Intervening Systems providing transmission service: _____

Issued by: Mark A. Bailey, President and CEO, 201 Third Street, Henderson, KY 42420

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8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: _____

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

9.0 Name of Reseller of the reassigned transmission capacity:

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ATTACHMENT B

**Form Of Service Agreement For Non-Firm Point-To-Point
Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between Big Rivers Electric Corporation ("Big Rivers"), and _____ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by Big Rivers to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided by Big Rivers upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information Big Rivers deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 Big Rivers agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Issued by: Mark A. Bailey, President and CEO, 201 Third Street, Henderson, KY 42420
Issued on: October 9, 2009
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Big Rivers Electric Corporation
201 Third Street, P.O. Box 24
Henderson, Kentucky 42420
Telephone No. (270) 827-2561
Vice President System Operations

Transmission Customer:

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

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<i>Brent Kirtley</i>
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ATTACHMENT C

Methodology To Assess Available Transfer Capability

Big Rivers will assess the capability of the Transmission System to provide the service requested using the criteria and process for this assessment as detailed in the document titled *AFC/ATC Calculation Procedures*. The document is available on the Big Rivers OASIS. In determining the level of capacity available for new Transmission Service requests, Big Rivers may exclude, from capacity to be made available for new Transmission Service requests, that capacity needed to meet current and reasonably forecasted load of Native Load Customers and Network Customers, existing firm Point-to-Point Transmission Service customers, previously received pending Applications for firm Point-to-Point Transmission Service and to meet existing contractual obligations under other tariffs and rate schedules.

In subsequent updates, Big Rivers will compute the transmission transfer capability available from the Delivering Party to the Receiving Party using Good Utility Practice and the engineering and operating principles, standards, guidelines and criteria of Big Rivers, SERC, and any entity of which Big Rivers is a member and which has been approved by the Federal Energy Regulatory Commission to promulgate or apply regional or national reliability planning standards (such as an RTO), or any similar organization that may exist in the future of which Big Rivers is then a member. Principal items used to determine maximum transmission transfer capability available include reliability, transmission element loading, system contingency performance, voltage levels, and stability, and other criteria specified in the Big Rivers OASIS posting.

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ATTACHMENT D

Methodology for Completing a System Impact Study

Big Rivers will assess the capability of the Transmission System to provide service requested pursuant to this Agreement. Big Rivers will determine whether a proposed use of the Transmission System results in transmission interface loading such that First Contingency Total Transfer Capability (FCTTC) is not exceeded. The FCTTC shall be as defined by NERC.

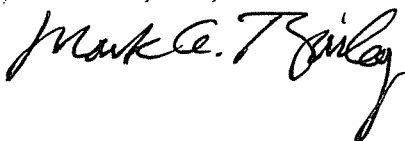
“Acceptable” and “unacceptable” steady-state voltages and facility loadings are defined by criteria established by Big Rivers and other utility systems with which Big Rivers is interconnected according to all applicable NERC and SERC standards.

In addition to the steady-state performance criteria described above, Big Rivers’ Transmission System is also designed taking into account dynamic stability performance to ensure any credible disturbance (short circuit or equipment disconnection) does not result in cascading tripping of transmission facilities. The criteria applied are those established by Big Rivers according to all applicable NERC and SERC standards.

Transmission System performance for the requested service shall include a consideration of (i) the load and projected loads of Big Rivers’ native load customers, (ii) the loads of firm Point-to-Point Transmission Customers under this Tariff and pursuant to other agreements, rate schedules, and contracts; (iii) transmission service to be provided in response to previously pending Valid Requests for transmission service under this Tariff and other contracts. Transmission Service to native load customers involves consideration of local transmission facility performance, in addition to consideration of any transmission interface transfer capability. This planning is performed the same as transmission planning for Big Rivers’ native load. The primary design criterion for the Transmission System is that failure of any one circuit or piece of equipment should not cause a sustained outage or unacceptably high or low voltage to customer load, nor should it cause excessive loading on Transmission System equipment. This must be satisfied at any load level, during peak load periods as well as off-peak periods.

The exceptions to this “single contingency” criterion are (i) small distribution substations which may be supplied by a single transmission line, and (ii) large groupings of substations for which double contingency system design may be employed.

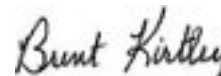
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ATTACHMENT E

Index Of Point-To-Point Transmission Service Customers

<u>Customer</u>	<u>Date of Service Agreement</u>
AEP Service Corp.	3/27/2002
Allegheny Energy Supply	9/11/2000
Big Rivers Power Supply	10/1/1998
Cargill-Alliant LLC	2/12/2002
Cash Creek Generation, LLC	7/16/2007
Cinergy Power Mkt. & Trading	10/31/2005
Cobb Electric Membership Corp.	6/9/2003
Conectiv Energy Supply	10/21/1999
Constellation Energy Commodities Group	10/13/1998
Coral Power L.L.C.	5/25/1999
DTE Energy Trading	7/24/2000
Duke Energy Indiana	10/31/2005
Duke Energy Kentucky, Inc.	10/31/2005
Duke Energy Trading and Marketing	8/13/1998

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E.ON U.S. Services, Inc.	6/1/2000
Exelon Generation, LLC	5/14/2001
Hoosier Energy Power Marketing	10/8/1998
Lehman Bothers Commodity Services Inc.	1/16/2006
LG&E Energy Marketing Inc.	9/15/1998
NRG Power Marketing	1/15/2002
Peabody Energy	7/11/2002
PG&E Energy Trading Power, L.P.	12/15/1998
Powerex Corp.	1/24/2000
PPM Energy, Inc.	7/20/1998
Rainbow Energy Marketing Corp.	7/15/1998
Sempra Energy Trading Corp.	5/11/2000
Southern Illinois Power Coop. Marketing	8/3/1998
Southern Indiana Gas & Electric	7/15/1998
The Cincinnati Gas & Electric Company	10/31/2005
The Energy Authority	7/20/2000
The Legacy Energy Group	6/12/2000

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Big Rivers Electric Corporation
First Revised and Restated Open Access Transmission Tariff

Original Sheet No. 163

Tennessee Valley Authority

12/9/2000

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ATTACHMENT F

**Service Agreement For
Network Integration Transmission Service**

I. GENERAL TERMS AND CONDITIONS

1.0 This Service Agreement, dated as of _____, is entered into, by and between Big Rivers Electric Corporation (hereinafter Big Rivers), and _____ (hereinafter Transmission Customer).

2.0 This Transmission Customer has been determined by Big Rivers to have completed satisfactorily an Application for Network Integration Transmission Service;

3.0 Service under this Agreement shall commence on the later of: (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as agreed by the parties hereto. Service under this Agreement shall terminate on _____;

4.0 Big Rivers agrees to provide and the Transmission Customer agrees to take and pay for Network Integration Service in accordance with the provisions of the Tariff and this Service Agreement.

5.0 Any notice of request made to or by either party to this Agreement regarding this Service Agreement shall be made to the representative of the other party as indicated below.

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Big Rivers Electric Corporation
201 Third Street, P.O. Box 24
Henderson, Kentucky 42420
Vice President System Operations

Transmission Customer

6.0 The Big Rivers Open Access Transmission Tariff, the attached Specifications for Network Integration Transmission Service, and Network Operating Agreement are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Service Agreement to be executed by their respective authorized officials.

Big Rivers Electric Corporation

By: _____ Date: _____

Title: _____

Transmission Customer

By: _____ Date: _____

Title: _____

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SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 Term of Network Service: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and/or energy to be transmitted by Big Rivers across Big Rivers'

Transmission System (including electric control area in which the transaction originates).

3.0 Network Resources

(1) Transmission Customer Generation Owned:

<u>Resource</u>	<u>Capacity</u>	<u>Capacity Designated as Network Resource</u>
-----------------	-----------------	--

_____	_____	_____
_____	_____	_____
_____	_____	_____

(2) Transmission Customer Generation Purchased:

<u>Source</u>	<u>Contract Description</u>	<u>Capacity</u>
---------------	-----------------------------	-----------------

_____	_____	_____
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Total Network Resources Capacity: (1) + (2) = _____

4.0 Network Load

(1) Transmission Customer Network Load:

<u>Network Load</u>	<u>Transmission Voltage Level</u>
_____	_____
_____	_____
_____	_____

(2) Member Systems Load Designated as Network Load:

<u>Network Load</u>	<u>Transmission Voltage Level</u>
_____	_____
_____	_____
_____	_____

5.0 Designation of party subject to reciprocity service obligation:

6.0 Service under this Agreement may be subject to some combination of the charges below.

(The appropriate charges for individual transactions will be determined in accordance with the

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Terms and Conditions of the Open Access Transmission Tariff).

6.1 Load Ratio Share of Annual Transmission Revenue Requirement:

6.2 Gross Up in Load Ratio Share for Average System Transmission Losses:

6.3 Facilities Study Charge: _____

6.4 Direct Assignment Facilities Charge: _____

6.5 Ancillary Services Charges: _____

6.6 Redispatch Charges: _____

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ATTACHMENT G

Network Operating Agreement

To be developed between Big Rivers and future network customers.

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ATTACHMENT H

**Annual Transmission Revenue Requirement
For Network Integration Transmission Service**

1. The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be \$19,961,900.
2. The amount in (1) shall be effective until amended by Big Rivers or modified by the Kentucky Public Service Commission.

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ATTACHMENT I

Index Of Network Integration Transmission Service Customers

<u>Customer</u>	<u>Date of Service Agreement</u>
-----------------	--------------------------------------

None

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ATTACHMENT J

Procedures for Addressing Parallel Flows

The Joint Reliability Coordination Agreement ("JRCA") entered into by the Midwest ISO, PJM Interconnection LLP, and the Tennessee Valley Authority ("TVA") provides for cooperation in the management and operation of the electric transmission grid over a large portion of the eastern United States. As a utility within the TVA Reliability Coordinator footprint, Big Rivers is party to this agreement. The JRCA provides for the sharing of critical information, comprehensive reliability management, and congestion relief. The improved coordination provided by the JRCA allows each grid operator to recognize and manage the effects of parallel flows and preemptively address concerns.

The Big Rivers AFC/ATC calculation process takes advantage of the coordination provided by the JRCA. The impact of both internal and external transfers is considered with limits on both internal and coordinated external flowgates observed. The Big Rivers document titled *AFC/ATC Calculation Procedures* describes the coordinated AFC and ATC calculation procedures in detail. This document is available on the Big Rivers OASIS.

Real-time pre and post contingency congestion resulting from parallel flows is addressed through the TLR procedures described for the Eastern Interconnection in NERC Standard IRO-006-3 as implemented according to the JRCA.

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ATTACHMENT K
Transmission Planning Process

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ATTACHMENT K

PL-GEN-2

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Introduction

Order 890 requires that Transmission Providers submit a proposal for a regional planning process that complies with the nine planning principles (described in detail below) and other requirements of the Final Rule. In the alternative, a Transmission Provider may make a compliance filing describing its existing coordinated and regional planning process, including the appropriate language in its tariff, and show that this existing process is consistent with or superior to the requirements in the Final Rule.

This document describes the nine planning principles and how Big Rivers Electric Corporation's (Big Rivers') existing planning process complies with the principles.

Central Public Power Participants:

Big Rivers and its neighboring public power companies AECL, EKPC, and TVA, have formed the Central Public Power Participants group (CPPP) for the purposes of coordinating planning within the region. The CPPP also provides the framework for stakeholder participation.

Inter-regional Participation:

Big Rivers participates in interregional planning through four relationships: as a member of the SERC Reliability Corporation; through participation in activities of the Eastern Interconnection Reliability Assessment Group (ERAG) as a SERC member; as a member of the Southeastern Interregional Planning Group (via CPPP), and through a Joint Reliability Coordination Agreement (TVA, PJM and MISO).

Commitment to the Nine Planning Principles of Rule 890

Principle 1 - Coordination:

- *The transmission provider must meet with all of its transmission customers and interconnected neighbors to develop a transmission plan on a nondiscriminatory basis*
- *The transmission provider must provide early and meaningful interaction opportunities for customers and other stakeholders to provide input regarding the transmission planning process and transmission expansion plans. The transmission provider must consider these inputs in its planning process.*
- *The FERC does not prescribe specific requirements for coordination, such as number of meetings, the scope of the meetings, the notice requirements, the format, etc.*

Coordination with retail customers is achieved through periodic meetings with each distribution cooperative and the involvement of each cooperative in the expansion planning process.

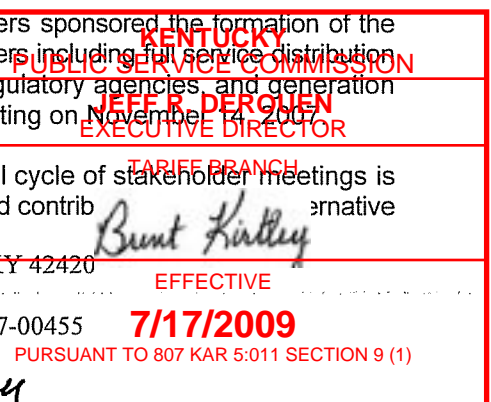
As an expansion of this effort, Big Rivers together with its CPPP partners sponsored the formation of the CPPP regional stakeholder group which is open to all transmission customers including full service distribution and direct served industrial customers, neighboring utilities and RTOs, regulatory agencies, and generation owner/development companies. The stakeholder group held its first meeting on November 14, 2007.

The stakeholder group is administered by the CPPP partners. An annual cycle of stakeholder meetings is scheduled to provide stakeholders with opportunities for participation and contribution.

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solutions.

As illustrated in Figure 1, the first meeting in the annual cycle is used to provide base data cases and review criteria and assumptions. At the second meeting assessments of potential reliability problems and preliminary solutions will be presented. At the third meeting, advanced solutions including stakeholder suggestions are reviewed. Opportunities for stakeholder input are open up to the point of final project selection.

Access to data, assumptions, notifications and proposals regarding studies, meeting and study schedules, study results, stakeholder group processes, and minutes and similar records is provided through OASIS. Other web-based locations will be established as required. Access to some information requires execution of a mutually acceptable confidentiality agreement.

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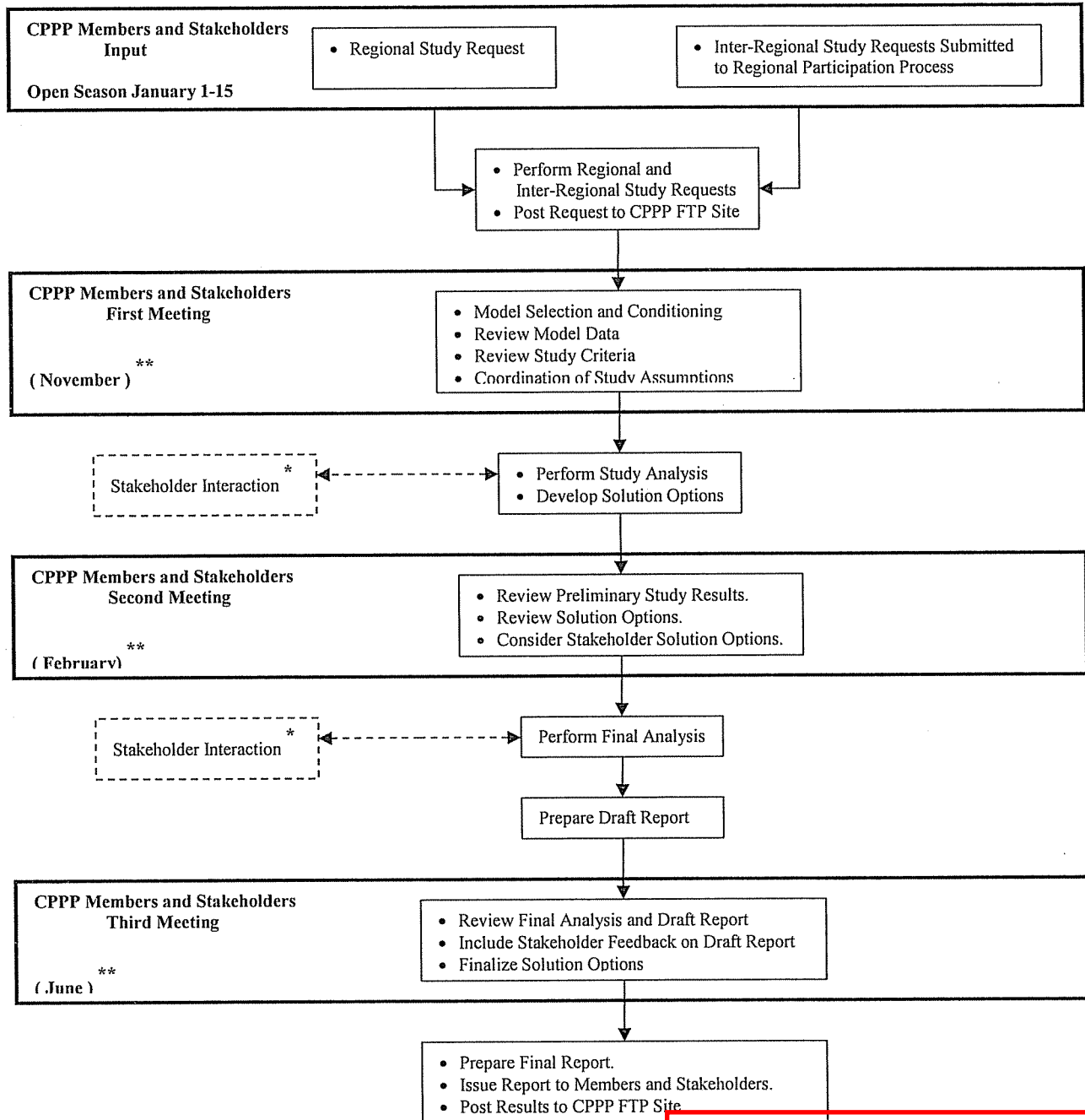
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* As required by Stakeholder planner

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** Date to be established in coordination with Stakeholders and other meetings

Figure 1: CPPP Regional Transmission Development Plan Participation Process Diagram

Principle 2 - Openness:

- *The transmission provider's planning process must be open to all affected parties, including but not limited to transmission customers, interconnection customers, state commissions, and other stakeholders.*
- *The transmission provider must develop mechanisms such as confidentiality agreements and password-protected access to information to manage the release of Critical Energy Infrastructure Information (CEI) into the public domain.*

All members of the CPPP stakeholder group described above have the opportunity to access the Big Rivers transmission planning process through posted documents and stakeholder meetings.

As noted under Principle 1, information is shared through easily accessible systems subject to standard security and confidentiality measures.

Some business-related information may be considered confidential and will not be shared.

Similarly, critical infrastructure or CEI information that

1. Relates to the production, generation, transmission, or distribution of energy;
2. Could be useful to a person planning an attack on critical infrastructure;
3. Is exempt from mandatory disclosure under the Freedom of Information Act; and
4. Gives strategic information beyond the location of the critical infrastructure

Examples of CEI are details of critical contingencies and limiting facilities that would jeopardize the integrity of the bulk transmission system, specific information on protective relaying schemes, and breaker data.

It is noted that CEI data filed with the FERC as Form No. 715 can be obtained by filing a CEI request using the Commission's established procedures. For other CEI information or other commercially-sensitive information requests, Big Rivers will consider provision under a nondisclosure agreement where there is legitimate need.

Confidentiality provisions will be periodically reviewed to ensure that stakeholders have access to sufficient data to enable them to perform their own reliability and economic planning studies or replicate existing studies.

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Principle 3 - Transparency:

- *The transmission provider is required to disclose data, study methodology, basic criteria, and assumptions that underlie its transmission system plans in written form.*
- *The transmission provider must make simultaneous disclosures regarding the status of transmission projects to all parties of concern.*

Data, study methodology, basic criteria, assumptions that underlie transmission system plans, and study reports will be made available each year to stakeholders through postings supported by discussions and presentations at scheduled stakeholder meetings.

The base data cases will be those used by CPPP members for their reliability studies. Data cases are developed for the Siemens PTI Power System Simulator for Engineering (PSS/E). Conversion of data for use in other programs is the responsibility of the user.

The study methodology, basic criteria, and assumptions that underlie transmission system plans are those used by Big Rivers to ensure compliance with NERC Standards.

Principle 4 - Information Exchange:

- *Network transmission customers must submit projected load and resource information on a comparable basis as that used by transmission providers in planning for native load.*
- *Point-to-point customers are required to submit projected need for transmission service over the planning horizon*
- *The transmission provider, in consultation with customers and other stakeholders, must develop information exchange guidelines and schedules for the submittal of transmission planning information.*
- *Information must be made available at regular intervals and be identified in advance.*

Big Rivers requires network customers to provide information regarding projected loads and resources on a comparable basis to that provided on behalf of native load customers for planning purposes.

A point-to-point customer must provide information about its utilization of the transmission system including transmission capacity, duration, and receipt and delivery points. These requirements are specified in Big Rivers Open Access Transmission Tariff. Information regarding planned generator additions or upgrades including status and expected in-service date, planned retirements, and environmental restrictions are also required in accordance with generator interconnection procedures.

This information is included in Big Rivers base case models so the needs of transmission customers are addressed in the transmission expansion plan. Additional information or changes to previously submitted information can be submitted throughout the planning process and will be incorporated into the planning process wherever possible.

Principle 5 - Comparability:

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- *The transmission provider must develop a transmission plan that (1) meets the specific service requirements of transmission customers and (2) treats similarly situated customers (network and retail/wholesale native load) comparably in the transmission planning process.*
- *Customer demand resources should be considered on a comparable basis to the service provided by comparable generation resources.*

Big Rivers develops transmission plans that meet the specific service requests of its transmission customers and otherwise treats similarly-situated customers comparably in transmission system planning.

Customer demand resources are considered on a comparable basis with generation resources.

Principle 6 - Dispute Resolution:

- *Transmission providers must propose a dispute resolution process. An existing dispute resolution process may be used, but the transmission provider must address how it would work in the transmission planning process.*
- *The timing of the dispute resolution process should be consistent with the transmission planning process*

For disputes arising under Attachment K the parties will attempt to settle the dispute through informal negotiation. The dispute resolution process will progress to discussions and meeting with Big Rivers senior management.

Principle 7 - Regional Participation:

- *The transmission provider must coordinate with interconnected systems to (1) share system plans to ensure simultaneous feasibility, (2) maximize use of consistent assumptions and data, and (3) identify system enhancements that relieve congestion or integrate new resources.*
- *The Transmission Planning proposal must specify the broader region in which it proposes to conduct integrated and coordinated regional planning.*
- *The transmission provider should consider and accommodate existing institutions, physical characteristics, and historical practices in their planning process.*

Big Rivers participates in regional and interregional planning through the CPPP group as described under Principles 1 and 8.

Participation in planning between regions is achieved through four relationships: the Southeastern Interregional Planning Group (via the CPPP), a joint TVA, PJM, and MISO planning agreement, membership in SERC Reliability Corporation, and participation in the Eastern Interconnection Reliability Assessment Group (ERAG). These relationships and joint studies ensure that Big Rivers coordinates with interconnected systems.

Southeastern Interregional Planning Group:

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The Southeastern Interregional Planning Group plan defines an inter-regional process among transmission owners Alabama Electric Cooperative, Dalton Utilities, Duke Energy Carolinas, Entergy Operating Companies, Georgia Transmission Corporation, Municipal Electric Authority of Georgia, Progress Energy Carolinas, Santee Cooper, South Carolina Electric and Gas, South Mississippi Electric Power Association, Southern Company, and Tennessee Valley Authority.

The process will be used to collect data, coordinate planning assumptions and address stakeholder study requests. Data and assumptions developed at the regional level will be consolidated and used in the development of models for use in the process. In addition to performing stakeholder requested studies, the interregional planning process provides a means for the participating transmission providers and stakeholders to review the data, assumptions, and assessments being performed on an interregional basis.

Joint Planning Agreements (JRCA) with TVA PJM and MISO:

A TVA, PJM, and MISO agreement exists for the exchange of information (including Big Rivers data) and the implementation of reliability and efficiency protocols. These agreements address the equitable and economical management of congestion on flowgates affected by flows of Big Rivers as well as TVA, PJM, and the Midwest ISO and use of the congestion management procedures by third parties on flowgates affected by the flows of any party that binds itself to the congestion management procedures of the agreements. The agreements also address arrangements for coordination of the parties systems.

The joint planning activities between TVA, PJM, and MISO are used as a basis for studies with SPP. These expanded activities are not yet fully covered by formal agreements. Initial studies include development of long term plans for the combined area for years 2018 and 2024.

Each of the entities has its own stakeholder group. The joint planning activities are being used as the basis for development of combined stakeholder participation, and for coordination of responses to stakeholder interregional study requests.

SERC Reliability Corporation:

SERC Reliability Corporation is a member of NERC and is responsible for reliability in the southeast. Big Rivers is a member of SERC and is included in the Central Subregion of SERC. Big Rivers planning personnel participate in a number of committees, groups and task forces within SERC to ensure regional coordination in transmission planning.

The SERC planning processes and their relationship to the local planning processes of the SERC member systems are described in the SERC Reference Document "Regional Transmission Assessment Study Processes Within SERC." In general, all members including Big Rivers conduct regional reliability studies within the SERC framework of intra-regional near-term & long-term studies. Member system models are combined into a SERC reliability study model annually. SERC members couple local transmission assessment activities with regional coordinated transmission study processes. Joint study efforts involving two or more parties are used to maintain coordination among systems and along system interfaces. The processes may also involve Regional Transmission Organizations (RTOs).

Eastern Interconnection Reliability Assessment Group (ERAG).

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ERAG comprises the six NERC regions composing the eastern interconnection, for the purpose of augmenting reliability of the bulk power system in the joint areas. ERAG has responsibility for the Multiregional Modeling Working Group (MMWG). A single master study base case covering the entire eastern interconnection is developed each season. Big Rivers participates in ERAG activities through its SERC membership.

ERAG study work is shared between regions under a number of study forums. SERC assigns members to conduct inter-regional studies with other RROs through the ERAG agreement. Also, SERC's designated liaison to the ERAG Multiregional Modeling Working Group (MMWG) updates the Eastern Interconnection study model.

Principle 8 - Economic Planning Studies:

- *The Transmission Provider must prepare studies identifying "significant and recurring" congestion and post such studies on their OASIS.*
- *Studies should analyze and report on (1) location and magnitude of congestion, (2) possible remedies for the elimination of congestion, (3) associated costs of congestion, (4) costs associated with relieving congestion.*
- *Such studies must include the integration of new generation resources or loads on an aggregated or regional basis.*
- *The planning process must consider both reliability and economic considerations (e.g. whether transmission upgrades or other investments can reduce the overall costs).*
- *Transmission providers should develop a means to allow the Transmission Provider and stakeholders to cluster requests for economic planning studies so that such studies can be performed in an efficient manner.*
- *Requests for economic planning studies, and responses to those requests, must be posted on OASIS. The transmission provider must coordinate with interconnected systems to (1) share system plans to ensure simultaneous feasibility, (2) maximize use of consistent assumptions and data, and (3) identify system enhancements that relieve congestion or integrate new resources.*

Big Rivers will continue to perform planning studies to identify transmission congestion within Big Rivers and between Big Rivers and other balancing areas, with integration of new resources including options suggested by stakeholders or loads on an aggregated basis. Big Rivers will use reliability and economic studies whenever feasible to improve efficiency and lower costs. Economic benefits such as those related to transmission congestion and integration of new transmission users will be considered when addressing reliability issues.

Study reports will identify congestion in its transmission system. These study reports will be posted on OASIS.

Big Rivers presently does not use LMP as the basis for its economic analysis of congestion. Reliability studies are directed towards elimination of congestion to allow optimal economic dispatch.

Stakeholder Requested Studies.

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Through the CPPP planning process, a reasonable number of economic studies will be completed. All stakeholder requests will be posted on OASIS. All economic project requests will be considered as alternatives for reliability problem solutions.

Requests for economic studies must be supported by provision of the necessary data, such as generator models and transaction patterns. Depending on confidentiality considerations, use of more generic industry data may be deemed acceptable.

Big Rivers' participation in the CPPP stakeholder process does not substitute for the official interconnection and transmission service request processes. The official interconnection process must be used for any requests to interconnect to the Big Rivers transmission system.

Principle 9 - Cost Allocation:

- *For projects that do not fit under the cost allocation structure in the existing pro forma OATT, such as regional projects involving several transmission owners or economic projects, transmission providers are required to address the allocation of costs for new facilities in its planning process.*
- *The proposal should identify the types of new projects not covered under existing cost allocation rules.*
- *FERC is not prescribing specific cost allocation methods, but will consider (1) whether a cost allocation proposal fairly allocates costs among participants, (2) whether the cost allocation proposal provides incentives to construct new transmission, and (3) whether the proposal is supported by state authorities and participants across the region.*

Costs of transmission system upgrades are recovered through Big Rivers' rates for transmission service.

Where existing rate structures do not apply, such as to regional projects involving several transmission owners or projects identified through economic planning studies, costs will be allocated to the customers requesting the project. Where a project crosses regional boundaries, each regional transmission owner will be responsible for allocating its share of the cost.

When a project is requested that is an acceleration or modification of a project already planned for implementation, the requesting party will pay the incremental costs.

If Big Rivers elects to enhance a stakeholder requested project, the requesting party will be responsible only for the costs of the project at the level requested for that party's needs.

In applying these cost allocation principles, Big Rivers will identify benefits that a requested project may provide to Big Rivers such as deferral of other transmission projects or a reduction in energy losses. The costs assigned to the requesting party will be a net value, recognizing the value of any such benefits.

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ATTACHMENT L

Creditworthiness Procedures

1. Purpose – For the purpose of determining the ability of a Transmission Customer (“Customer”) to meet its financial obligations related to service under Big Rivers Electric Corporation’s (“BREC”) Open Access Transmission Tariff, BREC will use the following credit review procedures.
2. Credit Review – BREC will perform a credit review of each Customer. BREC’s CFO shall continuously assess each Transmission Customer’s credit risk and determine their credit limit, based upon both qualitative and quantitative factors. Among other things, such factors may include the Customer’s competitive position, capital structure, liquidity, financial strength, profitability and credit ratings. A credit file will be maintained for each Customer in support of such credit limit determination. BREC will treat Customer credit information confidential. The Customer shall provide the following minimum information:
 - a. The most recent two fiscal years audited financial statements (including the footnotes).
 - b. The most recent unaudited fiscal year, if any, and year-to-date financial statements.
 - c. DUNS number.
 - d. Moody’s and/or S&P’s long term senior unsecured debt ratings.
 - e. Primary credit officer contact information, including name, title, mailing address, telephone number and facsimile number.

Other commercially reasonable information may be requested by BREC during the credit review process. In determining credit level and collateral requirements, BREC may also use any third-party information it finds available and appropriate.

3. Credit Exposure – BREC’s CFO will monitor BREC’s credit exposure to each Customer. BREC will review the Customer’s payment history and ensure that no payment due it is in arrears. Overdue payments will include interest at the appropriate rate.
4. Security – In the event a Customer does not meet BREC’s creditworthiness standard, the Customer may substitute one or more of the following

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- a. An unconditional and irrevocable letter of credit from an institution acceptable to BREC in an amount and term sufficient to support Customer's responsibilities and obligations under the Tariff.
- b. A corporate guarantee acceptable to BREC.
- c. Prepayment of the charge for service on terms acceptable to BREC.

Any alternative form of security proposed by the Customer and acceptable to BREC may be used.

5. Notices – BREC will notify Customer of initial credit level and collateral requirements, and any change thereto. Customer may contest any adverse credit determination by BREC by providing supporting information, and may request an explanation of BREC's credit determination. When necessary, BREC will give Customer a reasonable opportunity to post additional collateral. All communication and notices to BREC regarding the Customer's credit shall be to the following address:

Big Rivers Electric Corporation
Attention: CFO
201 Third Street
Henderson, KY 42420
Phone: 270-827-2561
Facsimile: 270-827-2558

6. Waiver – No failure on the part of BREC to exercise any of its rights or remedies hereunder shall waive them, unless expressly stated by BREC in writing.

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